



STATE OF TENNESSEE  
**DEPARTMENT OF EDUCATION**  
DIVISION OF SPECIAL EDUCATION  
**Ed.D.**

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**LANA C. SEIVERS,**

COMMISSIONER

TEIS MEMORANDUM #07-011

TO: TEIS District Administrators,  
TEIS Data Managers, TEIS Central Reimbursement Office

FROM: Jamie Thomas Kilpatrick, Director  
Office of Early Childhood Programs, Division of Special Education

COPY: Mr. Joseph Fisher, Assistant Commissioner

RE: **Use of Part C Funds for Payment of Services/CoverKids**

DATE: December 1, 2007

The Division of Special Education's Office of Early Childhood (OEC) has been working with OSEP to review Part C assurances. While conducting an extensive review of training documents related to upcoming fiscal audits of Tennessee's use of Part C funds, several concerns were noted. In an attempt to be proactive about these concerns, it is necessary to provide written clarification for policies and procedures. The OEC is committed to full compliance with OSEP'S fiscal concerns related to our state's use of Part C funds and full compliance with IDEA 2004.

The review of Tennessee's current policies highlighted the inconsistency of the payor of last resort provisions, which only allows for temporary reimbursement pending reimbursement from the agency that has the ultimate responsibility for the payment. **Effective February 1, 2008, TEIS Point of Entry District Offices will end the practice of supplanting other government benefits provided via CoverKids funding for all Part C required services including evaluations.**

Therefore, when a child's health benefit is CoverKids, the key component for Point of Entry Service Coordinators' responsibilities will be to coordinate those government benefits to ensure receipt of appropriate EI services by an infant, toddler, or family in a timely fashion. Henceforth, TEIS is not to be a payor source for any Part C service covered by CoverKids. CoverKids must be listed as the sole payor.

The office is fully engaged with the Governor's Office of Children's Care Coordination (GOCCC) to ensure interagency coordination of resources. The result of this analysis is expected allow for payment flexibility in the future. Any Part C payments for children covered by CoverKids in the future will only be allowable when the state lead agency receives direct reimbursement from the payor source that has the ultimate responsibility for the payment.

The Office is committed to working with all parties involved to reach an appropriate resolution of these concerns. Department of Education procedures will immediately be put into place to ensure full compliance with this policy and practice.